

CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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COUNTRY	East Germany	REPORT	
SUBJECT	Exhibits at the Autumn Leipzig Fair	DATE DISTR.	10 March 1954
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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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1. Chinese Exhibits

- a. An outstanding feature of the Chinese exhibits at the Autumn 1953 Leipzig Fair was the display of machine tools which showed that China is well advanced and should soon be able to supply its own domestic needs.
- b. The Chinese are also producing electric power plants, but they appear to be still far behind the British standard in this field. A diesel engine for a power plant which was exhibited appeared to be quite good.
- c. Another important part of the Chinese exhibition was the show of agricultural products.

2. The following notes on Business transactions at the Leipzig Fair were based on remarks made by a senior East German official.

- a. The bulk of the business at the Leipzig Fair involved trade between the various satellite countries, under the discreet direction of the USSR.
- b. The supply of materials from the satellite countries is controlled by the USSR.
- c. The excessive industrialization of agricultural countries such as Rumania, Bulgaria, Hungary, not to mention Poland and China, will render more and more difficult the present system of reciprocal barter among the satellite nations.
- d. East Germany can only pay for imports with manufactured goods and machinery; now all of the other satellites are trying to produce their own textiles, machinery, etc., and require cash instead of goods in trade negotiations.
- e. The transactions registered during the Fair (estimated at 1,000,000 pounds) are more theoretical than real. In most cases, time or delivery and prices

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are left in abeyance for further discussion.

- f. Each contracting agent will be forced to take a certain amount of supplies which he does not require; these items are to be disposed of elsewhere.

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- g. Bulgaria and Rumania are now exporting textile machinery, machine tools, cement mixers, electric motors and generators, tires and tubes, woolen and cotton textiles. The Chinese are still more aggressive; not only do they not require any more foreign cooperation, but they boast of beating the European manufacturers on all overseas markets.

3.



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